

City of Boulder Reserve Policies

Fund	Category	Reserve	Purpose	Current Reserve Policy	Projected Year-End Balance (2002)	Balance to Comply w/Budget Policy	Variance	Comments
General	Emergency/Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Based upon GF expenditures less grants: proposed goal is to have a 12% reserve.	\$9,448,000	\$8,579,000	\$869,000	Current Reserve policy is being met
	Liability	General Fund - Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc. with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities	To facilitate the long-term financial sustainability for the city, the sick/vac/app. bonus liability shall be a fully funded reserve based on TABOR requirements.	\$3,708,143	\$3,404,628	\$303,515	Current reserve policy is being met.
		Workers Comp. Reserve	The Workers Comp fund is to be self-insured. The fund was developed to enhance the management of program costs.	To fully fund case loss reserves at the 50% confidence level and rate stabilization reserves at the industry standard reserve/retention of 8 to 1.	\$5,431,789	\$3,521,111	\$1,910,678	Current Reserve policy is being met
		Property & Casualty Reserve	The Property & Casualty Reserve will be self-insured. The fund was set up when insurance costs were expected to increase significantly.	Goal is to fully fund an actuarially calculated liability as of end of the prior year at the 50% certainty level plus \$500,000 for current & future year claims.	\$1,523,348	\$1,355,480	\$167,868	The 2002 year end balance reflects an additional \$200,000 included in the 2002 Proposed Budget. Another \$200,000 is included in 2003 to assure that the reserve policy is met in all six years of the 6 year projection.
		Employee Health & Dental Insurance Termination Reserve	Fund termination ("run off") reserve requirement for health and dental insurance plans with "minimum premium" (partially self insured) funding structure, used by City's primary insurer (presently CIGNA). Also fund other costs of employee benefit program.	Reserve sufficient funds for: (a) run-off payment due to insurer upon plan termination; (b) contingency for claims cost overruns; (c) annual admin fee for current outsourced flex plans (separate from health/dental insrnc); (d) misc benefit program admin costs.	\$1,456,871	\$1,456,871	\$0	Current Reserve Policy is being met
	Replacement	General Fund-Computer Replacement Reserve	Reserve was created to level out spending for micro-computer related hardware and software.	Goal is that this fund will cover 80% of the General Fund replacement costs by 12/31/00. The remaining 20% will be covered in departmental budgets.	\$727,342	\$724,186	\$3,156	Current reserve policy is being met.
		Telecommunications Replacement Reserve	Reserve was created to level out spending for Telecommunications system replacement and upgrades	Goal is that this fund will fund the City's phone service equipment replacement and fiber network needs.	\$59,678	\$59,678	\$0	Current Reserve Policy is being met
		Facility Renovation & Replacement Reserve	Fund was created to protect the City investment in facilities.	To protect City investment in buildings, funds shall be budgeted annually for maintenance of such buildings. To extend the life of these assets, the goal over a 20 year period shall be to increase the funds budgeted annually for maintenance of buildings to approximately 2% of the replacement cost.	\$1,229,723	\$1,229,723	\$0	Current reserve policy is being met.
		Equipment Replacement	Reserve was created to level out spending for replacement of City's equipment. Includes contributions annually from general & non-general funds.	It is the policy of the City of Boulder that all equipment users shall fund the replacement of equipment through contributions to the Equipment Replacement Program (ERP) fund. Annual contributions by unit shall be calculated by Facilities & Asset Management (FAM) and distributed to users during the budget process.	\$2,390,643	\$2,037,216	\$353,427	Current reserve policy is being met.
Planning and Development Services	Emergency/Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	Reserve is set at \$25,000.	\$25,000	\$25,000	\$0	Current reserve policy is being met.

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	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	To facilitate the long-term financial sustainability for the city, the sick/vac/app bonus liability shall be fully funded by or before 2007. Interim goal is to fully fund reserve based on TABOR requirements.	\$517,766	\$517,766	\$0	Current reserve policy is being met; this reserve is to be fully funded by 2002 and then adjusted annually to reflect most recent estimates.
.25 Cent Sales Tax Fund	Liability	Sick/Vac/App Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$81,467	\$81,467	\$0	Current reserve policy is being met.
Public Safety Fund	Emergency /Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Based upon PSF expenditures proposed goal is to have a 10% reserve.	\$4,565,623	\$772,767	\$3,792,856	Current reserve policy is being met.
	Liability	Sick/Vac/App Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$396,993	\$396,993	\$0	Current reserve policy is being met.
Library Fund	Emergency/ Stabilization	Emergency	Reserve was established to cover emergencies and sick/vac/app bonus liability.	Current reserve policy designates 5% of annual Library revenues for emergencies, and also provides funding for sick/vac/app bonus liability.	\$80,557	\$31,267	\$49,290	Current reserve policy is being met
CHAP Fund	Liability	Sick/Vac/ App. Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$41,325	\$40,459	\$866	Current reserve policy is being met.
Capital Development Fund	Emergency/ Stabilization	Emergency Reserve	Reserve was established to cover emergencies and revenue fluctuations.	Current reserve policy designates \$500,000 to cover the purposes of the fund.	\$1,301,844	\$500,000	\$801,844	Current reserve policy is being met.
Recreation Activity Fund	Emergency/ Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Policy is to allow a rolling fund balance to provide stability to annual operations that may otherwise be affected by shortfalls in revenue.	\$171,974	\$50,000	\$121,974	Current reserve policy is being met.
Permanent Parks & Recreation Fund	Liability	Sick/Vac/ App. Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$63,676	\$63,676	\$0	Current reserve policy is being met.
Open Space Fund	Emergency /Stabilization	OSBT Contingency Reserve	Reserve was established to cover revenue fluctuations which might impact the Fund's ability to make debt service payments, as well as emergencies related to acquisitions.	Reserve per OSBT is to cover an amount based on outstanding General Obligation and BMPA debt totals supported by sales tax revenues.	\$9,099,230	\$5,475,000	\$3,624,230	Current reserve policy is being met.
	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$490,000	\$490,000	\$0	Current reserve policy is being met.
		Property & Casualty Reserve	Reserve was established to cover retained insurance exposure.	Reserve is to cover 100% of retained loss not covered by City's insurance policy.	\$400,000	\$400,000	\$0	Current reserve policy is being met.
Airport Fund	Emergency /Stabilization	Operating Reserve	This is an appropriated reserve to fund unanticipated operating emergencies..	3% of Fund's operating budget.	\$9,220	\$9,220	\$0	Current reserve policy is being met.
		Designated Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	25% of Fund's operating budget.	\$467,386	\$80,989	\$386,397	Current reserve policy is being met.
	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$28,340	\$28,340	\$0	Current reserve policy is being met.
Transportation Fund	Emergency /Stabilization	Operating Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	Reserve is set at \$100,000.	\$100,000	\$100,000	\$0	Current reserve policy is being met.

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	Liability	Sick/Vac/App. Bonus Liability Reserve & Designated Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement and includes allocation for designated reserves.	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$851,388	\$767,617	\$83,771	Current reserve policy is being met; adjusted annually to reflect most recent estimates.
		Escrow Reserve	The fund was established to account for escrow balances.	Reserves is to cover 100% of escrow balances.	\$135,408	\$135,408	\$0	Current reserve policy is being met; adjusted annually.
Transportation Development		Designated Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue	Reserve is set at \$25,000	\$1,210,218	\$25,000	\$1,185,218	Current reserve policy is being met.
Water Utility	Emergency/Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	3% of Fund's operating budget.	\$296,000	\$296,000	\$0	Current reserve policy is being met; adjusted annually as % of current operating budget.
		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	20% of Fund's operating budget (including cost allocation) over six -year planning time frame.	\$8,559,912	\$2,015,395	\$6,544,517	Current reserve policy is being met; adjusted annually as % of current operating budget.
	Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	\$6,322,941	\$6,322,941	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$588,732	\$588,732	\$0	Current reserve policy is being met.
	Replacement/Maintenance	Barker Reserve	This reserve is to fund capital expenditures for the Barker Reservoir & Transmission facilities.	Annual contributions of \$50,900 increasing to \$203,600 in 2000 such that \$1,000,000 will be maintained per agreement with Public Service Co. dated May 7, 1984.	\$895,979	\$0	\$895,979	In 2001 the City acquired Barker Reservoir and its related facilities from PSCo thus voiding the 1984 agreement. This reserve will be reallocated to fund capital improvements in the water utility.
Wastewater Utility	Emergency/Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	3% of Fund's operating budget.	\$205,000	\$205,000	\$0	Current reserve policy is being met; adjusted annually as % of current operating budget.
		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies.	20% of Fund's operating budget (including cost allocation) over six year planning time frame.	\$3,756,714	\$1,401,879	\$2,354,835	Current reserve policy is being met; adjusted annually as % of current operating budget.
	Bond	Fund Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one- year's annual debt payment.	\$187,586	\$187,586	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$473,103	\$473,103	\$0	Current reserve policy is being met.
Flood Control Utility	Emergency/Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	3% of Fund's operating budget.	\$62,000	\$62,000	\$0	Current reserve policy is being met; adjusted annually as % of current operating budget.
		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies.	20% of Fund's operating budget (including cost allocation) over six-year planning time frame.	\$1,593,595	\$423,232	\$1,170,363	Current reserve policy is being met; adjusted annually as % of current operating budget.

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		Post-Flood Property Acquisition	Reserve is for post - flood property acquisition in the event of a flood.	Reserve is increased by \$150,000 a year such that the fund will accumulate and maintain a level of \$1,000,000.	\$1,050,000	\$1,000,000	\$50,000	Current reserve policy is being met.
		Mapleton Mobile Home Park Reserve	This reserve will go towards funding the final payment for acquisition of Mapleton Mobile Home Prk due in 2007 per Deed of Trust dated 3/7/97.	Annual contributions of \$180,000 such that the fund will accumulate to \$1,260,000 in 2006	\$540,000	\$1,260,000	(\$720,000)	\$180,000 added annually to reserve to reach policy goal in 2006.
	Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	\$1,422,215	\$1,422,215	\$0	Current reserve policy is being met (includes estimated reserves for 2002 bonds).
	Liability	Sick/Vac/App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$54,786	\$54,786	\$0	Current reserve policy is being met.
CAGID	Emergency/Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies.	10% of Fund's total operating uses.	\$398,207	\$227,837	\$170,370	Current reserve policy is being met.
		Natural Disaster Reserve	This reserve is required under TABOR.	3% of Fund's total sources as required by TABOR.	\$106,723	\$106,723	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$108,674	\$108,674	\$0	Current reserve policy is being met.
UHGID	Emergency/Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies.	25% of Fund's total uses.	\$421,988	\$84,418	\$337,570	Current reserve policy is being met.
		Natural Disaster Reserve	This reserve is required under TABOR.	3% of Fund's total sources as required by TABOR.	\$5,327	\$5,327	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$11,326	\$11,326	\$0	Current reserve policy is being met.
Fleet Operations	Emergency/Stabilization	Fleet Operations Fund Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	1% of Fund's operating budget.	\$21,615	\$21,615	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick and vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$143,703	\$143,703	\$0	Current reserve policy is being met.
Fleet Replacement	Replacement	Fleet Replacement Reserve	Reserve was established to level out the spending for the replacement of the City's vehicles	Policy is to collect sufficient funds from the departments to replace vehicles as identified in replacement schedule.	\$1,838,252	\$1,838,252	\$0	Current reserve policy is being met.